

Richard McCormick, President
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EXPORT SUCCESS

Richard McCormick, President of MB Dynamics, Inc., found himself facing the classic “good news – bad news” scenario. After successfully negotiating the sale of \$1 Million worth of his Company’s equipment to a large Korean automobile manufacturer, Mr. McCormick faced a challenge that could make or break his business. The good news was that he knew that his Company had the “know-how” and expertise to successfully deliver a superior product. The bad news - the Company would face a cash flow shortage during the production cycle and McCormick knew that banks are unable to lend against foreign projects.

Mr. McCormick found the solution through First Merit Bank and the U.S. Small Business Administration (SBA) with a \$600,000 Export Working Capital Program (EWCP) line of credit. The EWCP program provides transactional financing for small business exports. Small & medium-sized businesses can use the funds to pay their employees and suppliers on qualified export contracts. The goal of the SBA is to “ensure that a small business never lose a viable export transaction due to a lack of working capital.”

“The EWCP was a lifesaver,” said Mr. McCormick “Without the EWCP, we would have had to default on the contract because of insufficient working capital to build the equipment.”

MB Dynamics currently employs 24 people at the Company’s manufacturing facility on Richmond Road in Bedford Heights. MB Dynamics manufactures and designs equipment for performing vibration and shock testing. MB Dynamics sells their systems to organizations for testing aerospace, defense, electronics, automotive, industrial equipment and consumer products to help assure the products will operate satisfactorily when subjected to vibration and shock conditions in their service environment.

While the initial project for the EWCP was the Korean contract, MB Dynamics Inc. has since used the EWCP to finance additional export sales and continues to grow. Export sales now represent 45% of the Company’s overall sales. Mr. McCormick stated “The EWCP provides us the opportunity to go after more export opportunities, without having to worry whether there will be working capital available to complete the order.”

The EWCP program is administered at the U.S. Export Assistance Center (USEAC) in Cleveland. The USEAC is a joint effort of the U.S. Department of Commerce and the SBA. After receiving EWCP financing, Mr. McCormick was introduced to a U.S. Department of Commerce Trade Specialist to learn how to find additional foreign buyers.

The U.S. Department of Commerce has trade professionals located in over 200 cities throughout the world who all share the goal to increase the number of small and medium sized exporters. FirstMerit Bank is an SBA Preferred Lender and is the third most active SBA lender in SBA’s Cleveland District.